



Utah Land Trusts  
Protection &  
Advocacy Office

# Trust Lands System Update

October - December 2022

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## Message from the Director



Hello! I wanted to introduce myself as the new director of the Trust Lands Advocacy Office. I am so very honored for the opportunity to serve in this capacity and look forward to serving and working with you as one of the Trust's 12 beneficiaries.

As you may know, this office's responsibilities essentially include ensuring Utah's 12 trust lands beneficiaries are being served to the greatest extent possible by working with the

Trust Lands Administration and School and Institutional Trust Fund Office (SITFO). As director, I'm also charged with being a strong and reputable advocate for the trust system, including directing legislative affairs and public outreach.

A little background on myself. I'm proud to have an extensive background with Utah's Trust System. I had the privilege of serving at SITLA for 18 years, most recently as its deputy director, as well as the director over surface management during my tenure there. I also served as Vice President of Public Policy and state lobbyist for the Utah Farm Bureau from 1997 to 2001. From 1990 to 1997 I served as a policy analyst for the Utah Office of Legislative Research and General Counsel, staffing several high-profile committees as well as the legislative task force that formulated recommendations that ultimately led to the creation of SITLA in 1994.

I'm coming back into the trust system after retiring from SITLA in 2020. My respect and enthusiasm for the Trust's great legacy and relevance is stronger than ever. My wife, Pam and I live in Kaysville, and are the proud parents of five children and eight grandchildren.

I look forward to meeting and getting to know you in the near future.

Respectfully,

DIRECTOR  
Kim S. Christy

# Trust Land Updates Oct - Dec

## ADVOCACY OFFICE

- We would like to give a warm welcome Mr. Kim Christy as director of the Land Trusts Protection & Advocacy Office. Mr. Christy expects to lead in multiple ways, including providing a more formal vision for the office and cultivating a strong climate of trust and collaboration within the Trust System.
- An enhanced effort is being made to increase outreach and collaboration among stakeholders of the Trust. The Advocacy Office co-hosted Legislative interim breakfast and lunch events which had an overall success. Emphasis was on widespread advocacy and understanding of each entity in the Trust System. We would like to thank all those who took the time to come!
- With the 2023 General Legislative Session quickly approaching, Mr. Christy has taken lead in directing legislative outreach. The Advocacy Office has hosted several joint meetings with all the Trust System entities to discuss pending legislation, cautions, and outreach.
- We would like to congratulate Mr. Steve Ostler who was re-elected to serve as the Advocacy Committee Chair, along with Ms. Paula Plant who was re-elected to serve as Vice-Chair.
- The Protection & Advocacy Office Annual Report for FY 2022 will be available during the early part of 2023. This report relies heavily on SITFO's audit, which comes available at the end of the year. The Advocacy Office takes this responsibility of providing a report seriously and looks forward to presenting you with the report in the coming months.



October and November Legislative Interim lunch and breakfast events at the Capitol to provide a Trust Lands 101 to key stakeholders and elected officials.

# Trust Land Updates Oct - Dec (Continued)

## Trust Lands Administration

- A revenue report from the Trust Lands Administration was provided at the November Advocacy Committee meeting. At this time last year SITLA has generated \$46.6 million from its land assets; the current year is at \$44.4 million in revenue.
- The Trust Lands Administration is undergoing a rewrite of their business system which is currently outdated. Due to the complexity of needs, an outside consultant is being utilized to provide recommendations and determine the most efficient course of action for the new software.
- The Trust Lands Administration is relocating its offices to 100 South, 200 East, Salt Lake City and is anticipating the move to occur in March.
- The Trust Lands Administration hosts internal Lunch and Leans to deep dive into specific trust land topics. Beneficiaries are welcome to attend these events. The next Lunch and Learns is scheduled for April. Date TBD.

## School & Institutional Trust Fund Office (SITFO)

- SITFO held a conference in October, gathering stakeholders and beneficiary representatives to discuss strategic thinking in the long-term. The SITFO Summit held an awards dinner highlighting all the hard work accomplished throughout the department and team-building activities.
- One of the main takeaways from the Summit, presented in collaboration with investment consultants, focused on intergenerational equity and the distribution policy of the trust. Studies showed that the current distribution calculations favor future beneficiaries over current beneficiaries. SITFO will be pursuing legislation during the 2023 General Session that would change the Utah Constitution and complimentary statutory language to increase the distribution to a 5% cap rather than a 4% cap. Additional considerations and factors would be included for the School Trust distributions.
- SITFO's annual audit was completed by Eide Bailly LLP. The audit was clean, with no disagreements on financials, and no corrected or uncorrected mistakes with no weaknesses found.



October SITFO Summit



# Trust Land Updates Oct - Dec (Continued)

## Legislative Notifications

- Intergenerational equity of distributions is a statutory requirement of SITFO and is studied every couple years. Recent studies from SITFO and their investment consultants show that current distribution calculations are under-distributing trust funds and favoring future beneficiaries over current beneficiaries. SITFO is pursuing legislation to change the Utah Constitution and statutory language to increase distributions from a 4% cap to 5% cap per a rolling 20-quarter permanent fund average. Additional considerations and factors will apply separately to the Schools Trust distribution.
- SITFO will not be pursuing legislation at this time to seek amendments to its structure akin to the Utah Retirement System. The matter will be researched more fully to understand any unintended consequences the proposed changes would create.
- The Trust Lands Administration will be pursuing two small amendments to their statute. The first is to codify prohibitive and restrictive use rules to help law enforcement issue citations for prohibitive and restricted activity on trust lands. The second amendment will extend the reporting deadline to report data pertaining to oil and gas leasing auctions.
- There is potential legislation being run by an interested party from outside the Trust Lands System, that may cause some restructuring of who serves on the Advocacy Committee and/or who serves on the SITLA Board of Trustees Nominating Committee (Nominating Committee). It is unclear as to what exactly the proposed changes would include. But, it is understood that the main concern is a need for increased beneficiary representation on the Advocacy Committee and Nominating Committee. The Advocacy Committee has expressed caution in that it would be extremely difficult to find the same level of expertise pertaining to trust land matters and management if transitioned to beneficiary groups exclusively and that it would not serve the beneficiaries in a better way than the current structure. The Advocacy Office and Advocacy Committee will be collaborating with all groups on the matter to understand the concerns and watch for any pending legislation that may come forward. We welcome your thoughts and will keep you informed of any updates.

